



DEPARTMENT OF VETERANS AFFAIRS

8320-01

Cost of Living Adjustments Effective December 1, 2016

AGENCY: Department of Veterans Affairs.

ACTION: Notice.

SUMMARY: As required by law, the Department of Veterans Affairs (VA) is hereby giving notice of cost-of-living adjustments (COLAs) in certain benefit rates and income limitations. These COLAs affect the pension, and parents' dependency and indemnity compensation (DIC) programs. The rate of the adjustment is tied to the increase in Social Security benefits effective December 1, 2016, as announced by the Social Security Administration (SSA). SSA has announced an increase of 0.3%.

DATES: The COLAs are effective December 1, 2016.

FOR FURTHER INFORMATION CONTACT: Daniel McCargar, Pension Analyst, Pension and Fiduciary Service, Veterans Benefits Administration, Department of Veterans Affairs, 810 Vermont Avenue, NW., Washington, DC 20420, (612-713-8911).

SUPPLEMENTARY INFORMATION: Under the provisions of 38 U.S.C. § 5312 and section 306 of Pub. L. 95-588, VA is required to increase the benefit rates and income limitations in the pension and parents' DIC programs by the same percentage, and effective the same date, as increases in the benefit amounts payable under title II of the Social Security Act. The increased rates and income limitations are also required to be published in the Federal Register.

The Social Security Administration has announced that there will be a 0.3% COLA increase in Social Security benefits effective December 1, 2016. Therefore, applying the same percentage and rounding in accordance with 38 CFR §3.29, the following increased rates and income limitations for the VA pension and parents' DIC programs will be effective December 1, 2016:

Pension

Maximum annual rates

(1) Veterans permanently and totally disabled (38 U.S.C. § 1521):

Veteran with no dependents, \$12,907

Veteran with one dependent, \$16,902

For each additional dependent, \$2,205

(2) Veterans in need of aid and attendance (38 U.S.C. § 1521):

Veteran with no dependents, \$21,531

Veteran with one dependent, \$25,525

For each additional dependent, \$2,205

(3) Veterans who are housebound (38 U.S.C. § 1521):

Veteran with no dependents, \$15,773

Veteran with one dependent, \$19,770

For each additional dependent, \$2,205

(4) Two veterans married to one another, combined rates (38 U.S.C. § 1521):

Neither veteran in need of aid and attendance or housebound, \$16,902

Either veteran in need of aid and attendance, \$25,525

Both veterans in need of aid and attendance, \$34,153

Either veteran housebound, \$19,770

Both veterans housebound, \$22,634

One veteran housebound and one veteran in need of aid and attendance, \$28,385

For each dependent child, \$2,205

Mexican border period and World War I veterans: The applicable maximum annual rate payable to a Mexican border period or World War I veteran under this table shall be increased by \$2,932. (38 U.S.C. 1521(g))

(5) Surviving spouse alone and with a child or children of the deceased veteran in custody of the surviving spouse (38 U.S.C. 1541):

Surviving spouse alone, \$8,656

Surviving spouse and one child in his or her custody, \$11,330

For each additional child in his or her custody, \$2,205

(6) Surviving spouses in need of aid and attendance (38 U.S.C. 1541):

Surviving spouse alone, \$13,836

Surviving spouse with one child in custody, \$16,506

Surviving Spouse of Spanish-American War veteran alone, \$14,397

Surviving Spouse of Spanish-American War veteran with one child in custody,
\$17,006

For each additional child in his or her custody, \$2,205

(7) Surviving spouses who are housebound (38 U.S.C. § 1541):

Surviving spouse alone, \$10,580

Surviving spouse and one child in his or her custody, \$13,249

For each additional child in his or her custody, \$2,205

(8) Surviving child alone (38 U.S.C. 1542), \$2,205

Reduction for income: The rate payable is the applicable maximum rate minus the countable annual income of the eligible person. (38 U.S.C. § 1521, § 1541 and § 1542).

Parents' DIC

DIC shall be paid monthly to parents of a deceased veteran in the following amounts (38 U.S.C. 1315):

One parent (38 U.S.C. § 1315(b)): If there is only one parent, the monthly rate of DIC paid to such parent shall be \$622 reduced on the basis of the parent's annual income according to the following formula:

For each \$1 of annual income which is more than \$0.00 but not more than \$800, the \$622 monthly rate shall not be reduced.

For each \$1 of annual income which is more than \$800 but not more than \$8,512, the monthly rate shall be reduced by \$0.08.

For each \$1 of annual income which is more than \$8,512 but not more than \$8,513, the monthly rate shall be reduced by \$0.04.

For each \$1 of annual income which is more than \$8,513, the monthly rate will not be reduced.

No Parents' DIC is payable under this table if annual income exceeds \$14,680.

One parent who has remarried: If there is only one parent and the parent has remarried and is living with the parent's spouse, DIC shall be paid under 38 U.S.C. § 1315(b) or under 38 U.S.C. § 1315(d), whichever shall result in the greater benefit being paid to the veteran's parent. In the case of remarriage, the total combined annual income of the parent and the parent's spouse shall be counted in determining the monthly rate of DIC.

One of two parents not living with spouse (38 U.S.C. § 1315(c)): The rates in Table 3 apply to (1) two parents who are not living together, or (2) an unmarried parent when both parents are living and the other parent has remarried. The monthly rate of DIC paid to each such parent shall be \$450 reduced on the basis of each parent's annual income, according to the following formula:

For each \$1 of annual income which is more than \$0 but not more than \$800, the \$450 monthly rate shall not be reduced.

For each \$1 of annual income which is more than \$800 but not more than \$900, the monthly rate shall be reduced by \$0.06.

For each \$1 of annual income which is more than \$900 but not more than \$1,100, the monthly rate shall be reduced by \$0.07.

For each \$1 of annual income which is more than \$1,100 but not more than \$6,412, the monthly rate shall be reduced by \$0.08.

For each \$1 of annual income more than \$6,412 but not more than \$6,413, the monthly rate shall be reduced by \$0.04.

For each \$1 of annual income which is more than \$6,413, the monthly rate shall not be reduced.

No Parents' DIC is payable under this table if annual income exceeds \$14,680.

One of two parents living with spouse or other parent (38 U.S.C. § 1315(d)): The rates below apply to each parent living with another parent; and each remarried parent, when both parents are alive. The monthly rate of DIC paid to such parents will be \$423 reduced on the basis of the combined annual income of the two parents living together or the remarried parent or parents and spouse or spouses, as computed under the following formula:

For each \$1 of annual income which is more than \$0 but not more than \$1,000, the \$423 monthly rate shall not be reduced.

For each \$1 of annual income which is more than \$1,000 but not more than \$1,500, the monthly rate shall be reduced by \$0.03.

For each \$1 of annual income which is more than \$1,500 but not more than \$1,900, the monthly rate shall be reduced by \$0.04.

For each \$1 of annual income which is more than \$1,900 but not more than \$2,400, the monthly rate shall be reduced by \$0.05.

For each \$1 of annual income which is more than \$2,400 but not more than \$2,900, the monthly rate shall be reduced by \$0.06.

For each \$1 of annual income which is more than \$2,900 but not more than \$3,200, the monthly rate shall be reduced by \$0.07.

For each \$1 of annual income which is more than \$3,200 but not more than \$7,087, the monthly rate shall be reduced by \$0.08.

For each \$1 of annual income which is more than \$7,087 but not more than \$7,088, the monthly rate shall be reduced by \$0.04.

For each \$1 of annual income which is more than \$7,088, the monthly rate shall not be reduced.

No Parents' DIC is payable if the annual income exceeds \$19,733.

These rates are also applicable in the case of one surviving parent who has remarried, computed on the basis of the combined income of the parent and spouse, if this would be a greater benefit than that specified in Table 2 for one parent.

Aid and attendance: The monthly rate of DIC payable to a parent under Tables 2 through 4 shall be increased by \$337 if such parent is (1) a patient in a nursing home, or (2) helpless or blind, or so nearly helpless or blind as to need or require the regular aid and attendance of another person.

Minimum rate: The monthly rate of DIC payable to any parent under Tables 2 through 4 shall not be less than \$5.

Section 306 Pension Income Limitations

Veteran or surviving spouse with no dependents, \$14,680 (Pub. L. 95-588, section 306(a))

Veteran in need of aid and attendance with no dependents, \$15,208 (38 U.S.C. 1521(d) as in effect on December 31, 1978

Veteran or surviving spouse with one or more dependents, \$19,733 (Pub. L. 95-588, section 306(a))

Veteran in need of aid and attendance with one or more dependents, \$20,260 (38 U.S.C. 1521(d) as in effect on December 31, 1978)

Child (no entitled veteran or surviving spouse), \$12,003 (Pub. L. 95-588, section 306(a))

Spouse income exclusion (38 CFR 3.262), \$4,688 (Pub. L. 95-588, section 306(a)(2)(B))

Old-Law Pension Income Limitations

Veteran or surviving spouse without dependents or an entitled child, \$12,854 (Pub. L. 95-588, section 306(b))

Veteran or surviving spouse with one or more dependents, \$18,528 (Pub. L. 95-588, section 306(b))

The Secretary of Veterans Affairs, or designee, approved this document and authorized the undersigned to sign and submit the document to the Office of the Federal Register for publication electronically as an official document of the Department of Veterans Affairs. Gina S. Farrisee, Deputy Chief of Staff, Department of Veterans Affairs, approved this document on February 16, 2017, for publication.

Dated: February 16, 2017

Jeffrey Martin
Office Program Manager
Office of Regulation Policy & Management
Office of the Secretary
Department of Veterans Affairs

[FR Doc. 2017-04356 Filed: 3/6/2017 8:45 am; Publication Date: 3/7/2017]